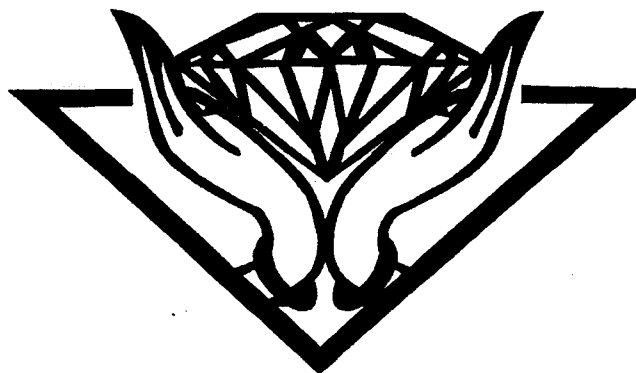


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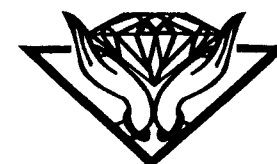
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MINI DIAMONDS (INDIA) LTD.

**17TH ANNUAL REPORT 2003 - 2004**

**MINI DIAMONDS (INDIA) LTD.****SEVENTEENTH ANNUAL REPORT OF 2003 - 2004**

BOARD OF DIRECTOR	:	Shri. Upendra N. Shah (Chariman and Managing Director) Shri. Kailas N. Shah (Joint Managing Director) Shri. Deepak H. Doshi Dr. Upendra V. Shah Mr. Himanshu K. Shah Mr. Mahadev P. Desai Mr. Ajay B. Shah
AUDITORS	:	V. A. Parikh & Associates Chartered Accountants
BANKERS	:	Bank Of India, Central Bank of India.
REGISTERED OFFICE	:	7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004.
REGISTRAR & SHARE TRANSFER AGENTS	:	M/s Purva Sharegistry (India) Pvt. Ltd. 33, Printing House, 28-D Police Court Lane, Behind Old Handloom House, Fort, Mumbai - 400 001.



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NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Shareholders of the MINI DIAMONDS (INDIA) LIMITED will be held on Thursday, 30th day of September, 2004 at the Registered Office of the Company situated at 7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004 at 10.00 a.m. to transact the following business:-

Ordinary Business :

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March, 2004 and Balance Sheet as at 31st March, 2004 and Director's and Auditor's Reports thereon.
2. To appoint a Director in place of Mr. Mahadev P. Desai who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ajay B. Shah who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

Special Business :

5. To Consider and if thought fit, to pass with or without modification as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 198,269,309, read with Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any, approval of the company be and is hereby accorded to the appointment of Shri. Upendra N. Shah as managing Director of the Company from 1st January, 2004 for a period of five years at the remuneration of Rs. 20,000/- per month with liberty to the Directors to alter and vary the terms and conditions of the said appointment from time to time in such manner as may be agreed to between the directors and acceptable to Shri. Upendra N. Shah.

“FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to take such steps as may be necessary to give effect to this resolution.”

NOTES :

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item no. 5 set out, is annexed hereto.
2. THE MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO ATTEND PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.



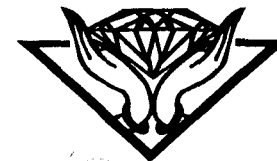
17TH ANNUAL REPORT 2003 – 2004

3. Members are requested to intimate the change in their registered address, if any, to the Company's registered office.
4. Members desiring any information at the Annual General Meeting of the Company are requested to write to the Company at least 10 days in advance so as to enable the company to keep the information ready.
5. The Register of Member and Share Transfer Books of the Company will remain closed from Thursday, 23rd September, 2004 to Thursday, 30th September, 2004 (both days inclusive).
6. Members who hold shares in dematerialised form are requested to write their Client-ID and DP-ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. At the ensuing Annual General Meeting Mr. Mahadev P. Desai and Shri. Ajay B. Shah, retires by rotation and being eligible offers themselves for re-appointment the information or details pertaining to this director to be provided in terms of clause 49 of the Listing Agreement with the stock exchanges are furnished in the statements on Corporate Governance published in this Annual Report .

Registered Office :

7-A, Nusser House, Gr. Flr.,
Opp. Pancharatna Bldg.,
Mama Parmand Marg,
Opera House, Charni Road,
Mumbai 400 004.

By order of the Board of Directors**Director.****Place : Mumbai****Dated : 3rd September , 2004.**



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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 5

The Government of India has conferred greater freedom to companies for appointment of Managerial Personnel and payment of remuneration by making suitable amendment to Schedule XIII to the Companies Act, 1956. Shri. Upendra N. Shah will be appointed Managing Director of the company for a period of 5 years with effect from 1st January, 2004 and entitled to draw a remuneration from 1st April, 2004. The Board of Directors, taking into consideration their prevailing in the corporate sector in general, recommends the appointment and payment of remuneration to Shri. Upendra N. Shah as mentioned in the resolutions.

The subject payment of remuneration is within the provisions of the Companies Act, 1956 and requires passing of an ordinary resolution by the members of the company.

None of the Directors is interested in the proposed resolution except Shri. Upendra N. Shah.

Registered Office :

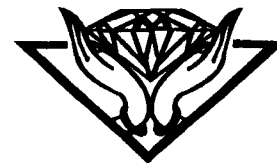
7-A, Nusser House, Gr. Flr.,
Opp. Pancharatna Bldg.,
Mama Parmand Marg,
Opera House, Charni Road,
Mumbai 400 004.

By order of the Board of Directors

Director.

Place : Mumbai

Dated : 3rd September , 2004.



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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited statement of accounts of the company for the year ended 31st March, 2004.

FINANCIAL RESULTS

	Year ended 31st March 2004	Year ended 31st March 2003
Sales	1,19,70,221	Nil
Profit/(Loss) Before Interest and Depreciation	(2,92,643)	(2,27,527)
Less: i) Interest	Nil	Nil
ii) Depreciation	58,590	68,179
Profit/(Loss) before Taxation	3,51,233	(2,95,706)
Profit/(Loss) after Taxation	3,51,233	(2,95,706)
Add. Balance in profit and Loss account brought fwd	(2,56,08,432)	(2,53,12,726)
Balance carried to Balance Sheet	(2,59,59,665)	(2,56,08,432)

DIVIDEND

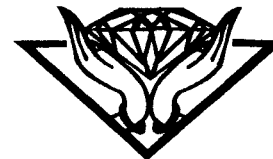
Your Directors regret their inability to recommend any Dividend on account of carry forward losses suffered by the Company.

REVIEW OF OPERATIONS

During the Year under review, the total income is Rs. 119.70 Crores against the income of Rs. Nil of the previous year.

FINANCE

The Company's paid-up equity share capital is Rs. 3,44,15,000/- against the Authorised Share Capital of Rs. 3,50,00,000/-. The Company endeavors to ensure most economic and efficient capital structure.



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DIRECTORS

The Board at present comprises of Shri. Upendra N. Shah , Shri. Kailas N. Shah, Shri. Himanshu K. Shah, Dr. Upendra V. Shah, Shri. Deepak H. Doshi and Shri. Mahadev Desai and Shri. Ajay B. Shah all having vast business experience. Mr. Mahadev P. Desai and Mr. Ajay B. Shah retires by rotation and being eligible offers them self for reappointment.

The Company has complied with the relevant provisions of the listing agreement of having more than 50% of the board as independent Non executive Directors. The details are given under the Corporate Governance.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, it is hereby confirm that :

- i. in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit/loss of the Company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

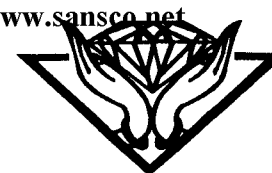
The Company has not accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES

The relationship between the Company and its employees has remained extremely cordial. The Directors take this opportunity to recording their deep appreciation of the services rendered by the employees. Particulars of employees within the meaning of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of employees) Rules, 1975, as amended is reported to be nil.

LISTING FEES

The Company has paid its listing fees to the Mumbai Stock Exchange on completion of formalities to commence the trading of shares at Mumbai Stock Exchange. The Company has informed the Mumbai Stock Exchange for revival of listing and has started completing formalities in this regard. However, your Company has yet to pay listing fees for Ahmedabad and Delhi Stock Exchange, which shall be paid very soon.



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CORPORATE GOVERNANCE

A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under section 217 (1) (e) of the Companies Act, 1956 read with (Disclosure of particulars in the report of board of directors) Rules, 1988, is as follows:

The particulars regarding conservation of energy is NOT APPLICABLE

The information regarding technology absorption and innovation is reported to be NIL.

The information regarding Foreign Exchange earnings and outgo is as follows :-

	(Rs. in Lacs)
a) F.O.B. Value of Exports	Nil
b) C.I.F. Value of Imports	Nil
c) Value of Capital Goods made in Foreign Currency	Nil

AUDITORS

M/s. V.A. Parikh & Associates Chartered Accountants retire as Auditors of the Company at the conclusion of the ensuing Seventeenth Annual General Meeting and being eligible, have offered themselves for re-appointment.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to place on record their deep appreciation and sincere gratitude to the various department of Central Government and the Bankers of the Company for their valuable assistance and look forward to their continued co-operation.

By ORDER OF THE BOARD OF DIRECTOR

Place : Mumbai

Dated : 3rd September , 2004.

**UPENDRA N. SHAH
CHAIRMAN**



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ANNEXURE I TO DIRECTORS' REPORT: - CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the Format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity in all its operations and its interactions with Shareholders, Government, lenders, creditors etc. Hence the Company has taken all appropriate steps to comply with the provisions of the prescribed Corporate Governance Code with in stipulated period. The Company has already implemented with most of the mandatory provisions and is taking all possible steps to comply with the balance mandatory provisions as early as possible.

2) BOARD OF DIRECTORS :

Composition and number of meeting held:

There are Seven members of the Board of Directors. The Board comprises of One Chairman & Managing Director, One Joint Managing Director and Five other non-executive Directors. All are independent Directors.

During the financial year ending 31-03-2004, 7 (Seven) meeting of the Board of Directors were held on 30-4-2003, 31-7-2003, 3-9-2003, 31-10-2003, 30-12-2003, 31-1-2004, and 29-3-2004. The Composition of the Board, attendance at Board Meeting held during the year and the last Annual General Meeting, number of Directorship in other Companies and Memberships in committees across various Companies of which the Director is a Member / Chairman are given below.

Name of the Director	Category	No. of other Directorships	Committee No. of Membership	Positions Chairman	No. of Board Meeting Attended	Last AGM Attended
Mr. Upendra N. Shah	Promoter Chairman & Mg. Director	NIL	NIL	NIL	7	Yes
Mr. Kailas N. Shah	Promoter & Jt. Managing Director	NIL	NIL	NIL	7	Yes
Himanshu K. Shah	Promoter & Non-Executive Director	1	NIL	NIL	7	Yes
Dr. Upendra V. Shah	Independent & Non-Executive Director	NIL	NIL	NIL	2	No
Mr. Deepak H. Doshi	Independent & Non-Executive Director	NIL	NIL	NIL	3	No
Mr. Mahadev Desai	Independent & Non-Executive Director (Additional Director)	NIL	NIL	NIL	7	No
Mr. Ajay B. Shah	Independent & Non-Executive Director (Additional Director)	NIL	NIL	NIL	7	No